



SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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JUN 27 2002
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FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 30, 2001,

OR

TRANSITIONAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission file number 1-1169

THE HOURLY PENSION INVESTMENT PLAN
(Full title of the Plan)

THE TIMKEN COMPANY, 1835 Dueber Avenue, S.W., Canton, Ohio 44706
(Name of issuer of the securities held pursuant to the Plan
and the address of its principal executive office)

PROCESSED
JUL 08 2002
P THOMSON
FINANCIAL

AUDITED FINANCIAL STATEMENTS AND SCHEDULES

The Hourly Pension Investment Plan

December 30, 2001 and 2000 and the Year ended December 30, 2001
with Report of Independent Auditors

The Hourly Pension Investment Plan
Audited Financial Statements and Schedules

December 30, 2001 and 2000 and the
Year ended December 30, 2001

Contents

Report of Independent Auditors	1
Audited Financial Statements	
Statements of Assets Available for Benefits	2
Statement of Changes in Assets Available for Benefits.....	3
Notes to Financial Statements	4
Schedules	
Schedule H, Line 4i—Schedule of Assets (Held at End of Year).....	10
Schedule H, Line 4j—Schedule of Reportable Transactions	11

Report of Independent Auditors

The Timken Company, Administrator of
the Hourly Pension Investment Plan

We have audited the accompanying statements of assets available for benefits of The Hourly Pension Investment Plan as of December 30, 2001 and 2000, and the related statement of changes in assets available for benefits for the year ended December 30, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan at December 30, 2001 and 2000, and the changes in its assets available for benefits for the year ended December 30, 2001, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 30, 2001 and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

Ernst & Young LLP
ERNST & YOUNG LLP

Canton, Ohio
June 21, 2002

The Hourly Pension Investment Plan

Statements of Assets Available for Benefits

	December 30	
	2001	2000
Assets		
Investments, at fair value	\$ 58,110,293	\$ 52,350,077
Receivables:		
Contribution receivable from participants	478,725	249,121
Contribution receivable from The Timken Company	307,043	486,268
Accrued income	6,366	15,464
Total receivables	792,134	750,853
Assets available for benefits	<u>\$ 58,902,427</u>	<u>\$ 53,100,930</u>

See accompanying notes.

The Hourly Pension Investment Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 30, 2001

Additions

Interest and dividends	\$ 1,551,788
Contributions:	
Participants	4,711,996
The Timken Company	<u>2,693,683</u>
	<u>7,405,679</u>
Total additions	8,957,467

Deductions

Benefits paid directly to participants	1,770,965
Net depreciation in fair value of investments	<u>1,278,479</u>
Total deductions	<u>3,049,444</u>

Net increase prior to transfers	5,908,023
Transfers between plans	<u>(106,526)</u>
Net increase	5,801,497

Assets available for benefits:

Beginning of year	<u>53,100,930</u>
End of year	<u><u>\$ 58,902,427</u></u>

See accompanying notes.

The Hourly Pension Investment Plan

Notes to Financial Statements

December 30, 2001

1. Description of the Plan

The following description of The Hourly Pension Investment Plan (the Plan) provides only general information. Participants should refer to the *Hourly Employees' Handbook* for a more complete description of the Plan's provisions. Copies of the handbook are available from The Timken Company (the Company).

General

The Plan is a defined contribution plan covering certain non-bargaining hourly employees of the Company's manufacturing facilities in the United States. Certain non-bargaining employees located in the Company's Ohio facilities become eligible to participate in the Plan the first full pay period after completing one month of full-time service. Non-bargaining employees located in the Company's North and South Carolina facilities and Koncor Industries division become eligible the first full pay period after completing three months of full-time service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Under the provisions of the Plan, Ohio, North and South Carolina non-bargaining participants may elect to contribute up to 15% of their gross earnings directly to the Plan subject to IRS limitations. Participants may also rollover amounts representing distributions from other qualified defined benefit or defined contribution plans. The Company matches Bucyrus, Ohio non-bargaining employee contributions at an amount equal to 20% of the first 5% of participant's gross earnings. The Company matches Koncor, Ohio non-bargaining employee contributions at an amount equal to 80% of the first 5% of participant's gross earnings. The Company matches North and South Carolina employee contributions at an amount equal to 80% of the first 5% of the participant's gross earnings and 20% of the excess of 5% up to the next 3% of the participants gross earnings. In addition, the Company contributes an amount equal to 1% of all the participants' wages on a quarterly basis.

The Hourly Pension Investment Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Upon enrollment, a participant must direct the percentage of his or her contribution to be invested in each fund in increments of 5%. All Company contributions are made in common stock of The Timken Company. Participants are not allowed to direct the investment of the Company's matching contribution made in common stock of The Timken Company until reaching the age of 55 or 30 years of service. Participants have access to their account information and the ability to make account transfers and contribution changes an unlimited number of times through an automated telecommunications system.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings, and is charged administrative expenses, as appropriate. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting

Participants are immediately vested in both their contribution and the Company's contribution plus actual earnings thereon.

Participant Notes Receivable

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their account balance. Loan terms cannot exceed five years for general purpose loans, 30 years for residential loans. The loans are secured by the balance in the participant's account and bear interest at an interest rate of one percent in excess of the prime rate, as published the first business day of each month in the Wall Street Journal. Principal and interest are paid ratably through monthly payroll deductions.

Payment of Benefits

On termination of service, a participant may leave his or her assets in the Plan until age 70 ½, receive a lump-sum amount equal to the balance of his or her account, or elect to receive staggered installments over a fixed period of time.

The Hourly Pension Investment Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Transfers Between Plans

Participants who change job positions within the Company and, as a result, are covered under a different defined contribution plan offered by the Company may transfer his or her account balance between Plans.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, the trustee shall distribute to each participant the amount standing to his or her credit in his or her separate account.

2. Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. American Express Trust Company (the Trustee) maintains a collective investment trust of The Timken Company common stock in which the Company's defined contribution plans participate on a unit basis. The Timken Company common stock is traded on a national securities exchange and participation units in The Timken Company Common Stock Fund are valued at the last reported sales price on the last business day of the year. The valuation per unit of The Timken Company Stock Fund was \$9.00 and \$8.53 at December 30, 2001 and 2000, respectively.

The participation units owned by the Plan in the Trustee collective trust funds and mutual funds are valued at quoted market prices which represent the net asset values of shares held by the Plan at year end. The participant notes receivable are valued at their outstanding balances, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Hourly Pension Investment Plan

Notes to Financial Statements (continued)

2. Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investments

During 2001, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as determined by quoted market prices as follows:

	<u>Net Appreciation (Depreciation) in Fair Value of Investments</u>
Common stock of The Timken Company	\$ 2,580,393
Mutual funds	(1,613,747)
Collective trust funds	(2,245,125)
	<u>\$ (1,278,479)</u>

Investments that represented 5% or more of fair value of the Plan's net assets were as follows:

	2001	2000
The Timken Company Stock Fund*	\$ 27,334,165	\$ 22,151,944
AXP New Dimensions Fund	4,562,434	5,060,492
American Express Trust U. S. Government Securities Fund I	3,702,758	3,004,443
American Express Trust Equity Index Base Fund	14,418,432	15,582,716
Participant notes receivable	3,616,413	3,493,974

* Nonparticipant-directed

The Hourly Pension Investment Plan

Notes to Financial Statements (continued)

4. Nonparticipant-Directed Investments

Information about the net assets and the significant components of changes in net assets related to the nonparticipant-directed investment is as follows:

	December 30	
	2001	2000
Investments, at fair value:		
The Timken Company Stock Fund	\$ 27,334,165	\$ 22,151,943
Receivables:		
Contribution receivable	534,645	530,575
	\$ 27,868,810	\$ 22,682,518
		Year ended December 30, 2001
Change in assets:		
Net appreciation in fair value of investments		\$ 2,580,393
Dividends		1,050,415
Contributions		4,028,379
Benefits paid directly to participants		(398,639)
Transfers to participant directed accounts		(2,074,256)
		\$ 5,186,292

5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated July 11, 1996 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

The Hourly Pension Investment Plan
Notes to Financial Statements (continued)

6. Related Party Transactions

The following is a summary of transactions in common stock of the Company for the year ended December 30, 2001:

	<u>Shares</u>	<u>Dollars</u>
Purchased	406,787	\$ 6,368,816
Issued to participants for payment of benefits	24,635	395,105
Dividends received		1,050,415

Benefits paid to participants include payments made in common stock of The Timken Company valued at quoted market prices at the date of distribution.

Certain legal and accounting fees and certain administrative expenses relating to the maintenance of participant records are paid by the Company. Fees paid during the year for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

7. Subsequent Event

Effective December 31, 2001, the Plan was amended to segregate the Timken Company Stock Fund into two components – a newly created Employee Stock Ownership Plan, or ESOP, and a Timken Stock Fund. The ESOP will contain all shares held in the Timken Company Stock Fund at December 30, 2001. Beginning December 31, 2001, employee and participant contributions will go into the Timken Stock Fund. At the end of each plan year, all contributions, reinvested dividends and any market gains or losses in the Timken Stock Fund will be transferred into the Timken ESOP. Participants may elect to have their vested dividends in the Timken ESOP distributed to them in cash or automatically reinvested in common stock of The Timken Company.

The Hourly Pension Investment Plan

EIN: 34-0577130 Plan Number: 016

Schedule H, Line 4i—Schedule of Assets (Held at End of Year)

December 30, 2001

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par or Maturity Value	Cost (B)	Current Value
The Timken Company Stock Fund*(A)	3,036,117 units	\$ 32,020,780	\$ 27,334,165
AXP New Dimensions Fund*	183,304 units		4,562,434
Templeton Foreign Fund	97,435 units		897,379
American Express Trust Company*:			
U.S. Government Securities Fund I	3,702,758 units		3,702,758
Bond Fund	26,838 units		1,799,873
Short-Term Horizon (25:75) Fund	1,420 units		25,693
Medium-Term Horizon (50:50) Fund	52,094 units		1,134,968
Long-Term Horizon (80:20) Fund	1,581 units		36,225
Small Cap Equity Index Fund II	40,149 units		581,953
Equity Index Base Fund	411,532 units		14,418,432
Participant notes receivable at interest rates ranging from 6.00% to 11.00%*	3,616,413 units		3,616,413
Total investments			<u>\$ 58,110,293</u>

*Indicates party-in-interest to the Plan

(A) Nonparticipant-directed

(B) Cost information is only required for nonparticipated-directed investments.

The Hourly Pension Investment Plan

EIN: 34-0577130 Plan Number: 016

Schedule H, Line 4j—Schedule of Reportable Transactions

For the Year ended December 30, 2001

Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Expenses Incurred with Transaction (A)	Cost of Asset	Current Value of Asset on Transaction Date (B)	Net Gain or (Loss)
Category (iii)—Series of Transactions in a Security in Excess of 5% of the Current Value of Plan Assets							
The Timken Company*(C)	The Timken Company common stock						
	161 purchases aggregating 406,787 shares	\$ 6,368,816			\$ 6,368,816		
	254 sales aggregating 159,455 shares		\$ 2,529,055		3,298,739		\$ (769,684)

* Indicates party-in-interest to the Plan.

(A) Commissions, taxes and other expenses incurred with the transactio

(B) Current value at the date of purchase or sale equals the transaction price.

(C) Nonparticipant-directed.

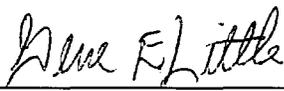
There were no category (i), (ii) or (iv) transactions during 2001.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other person who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE HOURLY PENSION INVESTMENT
PLAN

Date: 6-20-02

By: 

Gene E. Little
Senior Vice President - Finance

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-35152) pertaining to The Hourly Pension Investment Plan of our report dated June 21, 2002, with respect to the financial statements and schedules of The Hourly Pension Investment Plan included in this Annual Report (Form 11-K) for the year ended December 30, 2001.

Ernst & Young LLP
ERNST & YOUNG LLP

Canton, Ohio
June 21, 2002